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STATE FOR WHA/CEN - CWEBSTER, AKRAAIMORE
STATE FOR EEB/IFD/OIA - HGOETHERT
L/CID - JKOVAR, CHOLLAND

E.O. 12958: DECL: 11/24/2018
TAGS: [EINV](#) [EFIN](#) [EIND](#) [ECON](#) [ENRG](#) [EU](#)
SUBJECT: NICARAGUA: ATTORNEY GENERAL ESTRADA

REF: A. MANAGUA 1120
[1](#)B. MANAGUA 460
[1](#)C. MANAGUA 803
[1](#)D. MANAGUA 450
[1](#)E. MANAGUA 880
[1](#)F. MANAGUA 1052

Classified By: Ambassador Robert J. Callahan, reason: 1.4 (B) and (D).

[1](#)1. (C) Summary: Attorney General Hernan Estrada is the Government of Nicaragua's (GON) lawyer and a close advisor to President Daniel Ortega. While Estrada is known to us as the point person on U.S. citizen property claims, he also is the lead government official on protecting the assets and natural resources of the state, reviewing international contracts and agreements, and fighting corruption. Estrada also acts as a politically partisan defender of FSLN policies in local and international fora. Although he presents himself as one of the intellectual elite of the Sandinista party, Estrada operates more like a foot soldier following orders and at no time allows any daylight to show between his views and the prevailing party line. Under pressure, he can be arrogant, difficult and evasive. With a sharp legal mind and few ethical inhibitions, he relies on intimidation tactics and is likely to interpret what others say (or do not say) to his advantage. End Summary.

LEGAL RESPONSIBILITIES

[1](#)2. (SBU) Attorney General Hernan Estrada is one of the most powerful and influential officials in the GON. As the government's lawyer, he carries the rank of minister and enjoys direct access to President Daniel Ortega. He advises Ortega on a wide range of issues related to government affairs and politics. While Estrada is the lead official on resolving U.S. citizen property claims, he has a myriad of other legal responsibilities. By law, the Attorney General is charged with defending and protecting the assets and natural resources of the state, representing the state in national and international court cases, acting as a legal advisor to the executive branch, defending human rights, fighting corruption and malfeasance within the government, and reviewing contacts and international agreements signed by the executive branch. In practice, Ortega almost always delegates authority to Estrada to sign contracts on behalf of the government.

BROAD AUTHORITY

[1](#)3. (SBU) Legal scholars say that President Ortega has had Estrada engage in closer political control over the work of the government lawyers than recent attorneys general. An example of this is his authority over the administrative

procedures and compensation deliberations on all property claims. Previously, the attorney general reviewed and signed final settlements, or "finiquitos," but did not get involved in negotiations or ruling on claims. Late in 2007, in a shocking development, Estrada exercised broad authority to review and dismiss property claims previously accepted as legitimate. This included 48 claims for a lack of documentation and 98 U.S. claims under Decrees 3 (1979) and 38 (1979) for political reasons (Ref A). On principle, we have not accepted these dismissals, but we did contact U.S. claimants to inform them of the dismissals and their right to appeal.

¶4. (SBU) Today, no one would argue with the assertion that Estrada exercises full control over government institutions dealing with property claims, including the Office of the Property Superintendent, the National Confiscations Review Commission (CNRC), the Office of Assessment and Indemnification (OCI), the Nicaraguan Institute for Territorial Surveying (INETER), as well as the national and all regional public property registry offices. None of these agencies/offices are allowed to pursue settlements independently of the attorney general, although Estrada has been willing to delegate a bit more authority in recent months. The Property Superintendent, Yara Perez, a militant Sandinista and a particularly difficult adversary, was Estrada's Assistant Attorney General before he named her Superintendent. She still takes her orders from Estrada.

OTHER RESPONSIBILITIES

¶5. (SBU) Estrada has been a key player in pursuing GON interests on a wide range of sensitive issues outside of property claims. Since 2007, he has worked with the Ministry of Energy and Mines and the Investment Promotion Agency to resolve contractual issues surrounding offshore oil and gas concessions to two U.S. firms. He signed new contracts with one of the U.S. firms and is currently reviewing contracts for the other (Ref B).

¶6. (SBU) In 2007 and 2008, after Ortega threatened the electric utility, Estrada challenged the government's contract with Union Fenosa, the Spanish company operating the national utility, forcing the firm to renegotiate contracts with suppliers. One result was that the government acquired a 16% stake in the local Union Fenosa subsidiary, which came with a seat on the board.

¶7. (SBU) In 2008, Estrada led the government's efforts to pressure Barcelo Hotels and Resorts (Spain), owner of Nicaragua's flagship tourist resort (Montelimar), to pay a \$1.5 million fee for failing to honor a sales agreement to pay more to the government should the hotel's occupancy rate rise above a predetermined level (Ref C). Barcelo enlisted the support of the Spanish government and dug in its heels, maintaining that because it had invested in the construction of more rooms, the resort never reached the occupancy rate specified in the contract.

¶8. (SBU) Also in 2008, Estrada led a GON negotiation team at one point for the refinancing of medium-term government bonds, known as CENIs, with two of the largest local banks. His high pressure tactics included challenging one of the banks (majority U.S.-owned) regarding the title to its principal office holding and both banks by attempting to have a local judge sequester the CENIs, which were bearer bonds (Ref D). In the end, the banks agreed to cut the interest rate by 30% and extend the redemption date (Ref E). (Note: Ironically, this is exactly what opposition leader Eduardo Montealegre did as Finance Minister, and for which the Ortega government has threatened criminal prosecution. End Note.)

HATCHET MAN

¶9. (SBU) Beyond his legal responsibilities as Attorney General, Estrada frequently serves as political hatchet man

in the defense of FSLN policies. For example, he publicly asserted that famous Nicaraguan singer and former FSLN member Carlos Mejia Godoy could not sue the FSLN for unauthorized use of his song, "La Consigna (The Insignia)," because Godoy's music "belonged to the Nicaraguan people, just like works that one might find in the national archive" (Ref F). At one point, Estrada threatened to shut down the national newspaper "La Prensa" for reporting that six members of the Colombian Revolutionary Armed Forces (FARC), an internationally recognized terrorist organization, entered Nicaragua to celebrate the 29th anniversary of the Sandinista Revolution. Several members of the private sector have told us that Estrada is normally "the muscle" when they negotiate with or receive bad news from the GON.

MOVING AGAINST NGOS

¶10. (SBU) During the 133rd meeting of the Organization of American States' International Human Rights Commission (CIDH-OEA) in Washington on October 27, Estrada, as representative of the GON, answered questions concerning government audits, investigations, and intimidation of non-governmental organizations (NGOs) based on trumped up allegations of corruption and money laundering. Despite the fact that his government was in the midst of taking action on multiple fronts to stifle or even close local NGOs, especially those engaged in fostering democratic institutions and values, he categorically stated with a straight face that "there is no government persecution against NGOs that exists in Nicaragua. There are no restrictions against the freedom of expression. Any accusations are nothing more than a campaign to discredit the government during the Nicaraguan municipal elections."

BLURRING THE LINE BETWEEN PARTY AND STATE

¶11. (SBU) Like other agencies and ministries in the Nicaraguan government today, Estrada makes sure that his office actively supports the political objectives of the FSLN. At the conclusion of the October Property Working Group meeting, for example, EconOff witnessed FSLN supporters preparing for a political campaign rally inside of the Attorney General's Office, in fact recruiting officials to participate.

¶12. (SBU) During a November 13 visit to the Nicaraguan Center for Human Rights to investigate acts of political violence that occurred as a result of civil protests against the wholesale fraud that took place during the November 9 municipal elections, Estrada again donned the red and black colors of the FSLN, publicly warning with biblical reference (Luke 21:6), "If Commander (Ortega's rank as a Sandinista Revolutionary) Ortega would make a call to his supporters, there will 'not be left one stone on top of another' when it came to press that opposed the government. Thank God he has not done so." Within days, 40 masked men invaded and destroyed three radio stations in the city of Leon commando style, and roving Sandinista gangs ransacked the parked vehicles of two local broadcast stations in sporadic street violence. On November 19, a smiling, friendly Estrada took pains to explain that his statement should not be construed as a threat, as it was widely perceived to have been in the press.

BIOGRAPHY

¶13. (U) Dr. Hernan Estrada Santamaria was born on October 21, 1957 in Chinandega, a city in northwestern Nicaragua. He graduated from the Universidad Autonoma de Nicaragua in Leon (UNAN-Leon) in 1980 with a law degree, and quickly became a practicing lawyer and notary public. During the first Sandinista government, Estrada worked for the Ministry of Foreign Affairs (it has been rumored that he is a possible replacement for Foreign Minister Samuel Santos), including a

concurrent appointment as Ambassador to East Germany and Austria. In 1990, he established his own law firm, Abogacia Estrada, retained by public and private sector clients alike.

Ironically, several U.S. citizen claimants whose property was confiscated in the 1980s employed Estrada as their lawyer. On January 10, 2007, inauguration day, President Ortega appointed Estrada as Attorney General.

¶14. (SBU) Estrada is married to Vilma Roman, a cousin of Comandante Jaime Wheelock Roman. As Minister of Agriculture and Agrarian Reform after the Sandinista revolution in 1979, Wheelock supervised the wholesale confiscation of private property in Nicaragua. In all, the government took control of or redistributed more than 28,000 properties. Estrada and Roman have two sons, one is married to an Austrian citizen and currently lives in Austria. Estrada speaks Spanish, German, and very limited English.

Comment

¶15. (C) Although Estrada prides himself as one of the intellectual elite in the FSLN, he operates more like a foot soldier following orders and at no time allows any daylight to show between his views and the prevailing party line. Under pressure, he can be arrogant, difficult, and evasive. Unless a counterpoint is forcefully made, he may simply ignore it, pretending that his argument has carried the day. With a sharp legal mind and few ethical inhibitions, he relies on intimidation tactics and is likely to interpret what others say (or do not say) to his or the GON's advantage. Securing agreement on contentious issues may be difficult. However, when he wants, as he undoubtedly will at least at the beginning of the bilateral review scheduled for December 11-12, he can be a smiling, effusive, and charmingly welcoming individual.

CALLAHAN